

CASH MANAGEMENT POLICIES AND PROCEDURES HANDBOOK

Appendix A SmartPay CARD

Introduction

This appendix comprises five sections:

1.1 General -- applies to all Individual Account Cards;

1.2 Travel Card Program;

1.3 Purchase Card (BankCard) Program;

1.4 Convenience Checks, which are issued as an extension of the Purchase Card (BankCard) program; and

1.5 Fleet Card.

Convenience Checks are issued to holders of "Purchase Cards" for use in situations where 'Credit Cards' are not acceptable in payment.

A Section 1.0 General (Individual Account Card)

There are several types of Individual Account Cards. This General section applies to all Individual Account cards. Material contained herein is not repeated for each separate type of Card.

.01 Background and Intent

a. Basic Relationships

There have been previous contracts with other Financial Institutions. However, the Department of Commerce is currently contracting for all card services with Citibank.

The Fleet card is subcontracted with Voyager under the Citibank contract. The other cards are contracted directly with Citibank.

b. Key Definitions

'Smart Pay Card' is a general term used by GSA and DOC to designate a method of payment utilizing an Individual Account Card. It may comprise the functions of any of the following card services.

- 'Travel Card' -- includes both the ' Individually Billed Travel Program', and the 'Centrally Billed Travel Program' for common carriers and expensed incurred during travel.

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- 'Purchase Card' ('BankCard') -- used for small purchases.
- 'Fleet Card' -- used to pay for services to Government vehicles.

'Individual Account Card' is a general term. It comprises any and all single-party or single-entity account(s) that are accessed by cards. Such accounts may be classified by several means, including the following.

· Type of Account - e.g., 'Credit Card', which is a term used to describe an individual account card that is used repeatedly to borrow or to purchase on credit. Typically, a Credit Card will contain four elements:

- the Cardholder's name;
- an individual account number;
- a coded magnetic strip for point-of-sale transactions; and
- the Expiration Date.

· General Category -- e.g., 'Plastic Card' or 'BankCard'

· Purpose -- e.g., 'Travel Card', 'Fleet Card', or 'Purchase Card'

'Payment Office' refers to the administrative accounting office making payments for bureau transactions. Organization of Payment Offices is not the same in all bureaus. For example:

- In the National Oceanic and Atmospheric Administration (NOAA), the Payment Offices are the four Administrative Support Centers and the Finance Service Division.
- The International Trade Administration's payments are being made by the Department of the Interior's National Business Center under a cross-servicing arrangement.

.02 Purpose

All Individual Account Cards are classified as 'Electronic Fund Transfer' (EFT) media. As such, they offer the benefits of cash savings, cost avoidance, operational flexibility, and simplified record-keeping.

The Individual Account Card is intended to:

- simplify, clarify, and expedite purchases, cash flow, and control;
- extend the use of EFT;
- minimize the traveler's need to carry cash while reducing travel advances;
- simplify record-keeping; and to

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- reduce reliance on imprest funds

.03 Policy

It shall be the practice for all DOC employees to use Individual Account Cards, wherever possible, to help advance the EFT and Prompt Pay initiatives.

- Payment offices should receive invoices electronically, if practical.

To optimize rebates under the contract, payments must be made as expeditiously as possible. Payments to Citibank must be made electronically.

- Rebates under the Purchase Card (BankCard) program will be retained by the Commerce BankCard Center (CBC) to defer cost to the bureaus.
- Travel and Fleet Card program rebates will be retained by the O/S Working Capital Fund to defer costs to the bureaus of Travel and Fleet-related projects and/or CFO Council Programs.
- The Cardholder has custodial responsibility for the Smart Pay Card and is responsible for all billed charges for cards that have not been reported as missing or stolen. The Cardholder must therefore promptly report the loss or theft of a card to avoid responsibility for unauthorized charges.
- The 'Responsible Cardholder' is a Government entity in all cases except for the Individually-billed Travel Card, for which the responsible cardholder is the employee to whom it is issued.
- The Department is not liable for charges made by unauthorized users of a card.
- Expeditious payment is desirable even under less-than-desirable conditions. For example, in certain circumstances, the ordinary practice of basing of payment upon the receipt of merchandise can become an impediment to the establishment of a timely payment process. In such circumstances, the "Fast Pay Procedure" (a "Simplified Acquisition Method") may be available to Payment Offices. If so, the Fast Pay Procedure is encouraged.

.04 Accounting and Fund Control

Use of an Individual Account Card can result in the skipping of procedural steps -- especially those relating to recognition -- which have traditionally marked the `audit trail'. While this expedites purchases and improves cash flow, it introduces accounting and internal control problems.

For example, when a card is accepted in payment, the Commitment and Obligation steps cannot be easily isolated. This diminishes traditional Fund Control. Recognition of the transaction within the financial system is delayed because such recognition cannot occur until a Statement is received at the end of the card issuer's reporting cycle. Furthermore, the expense may not appear on the current periodic (usually monthly) statement. This is the basis of the cardholder's custodial

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responsibility for timely capture of transaction data.

To safeguard against Antideficiency Act Violations, Finance Offices should assure that responsible officials establish adequate controls such as:

- Budgetary limits;
- Authorization procedures; and
- Card spending limits.

Note: For the Purchase Card, the setting of spending limits is a Procurement Office function.

The application for each card must include a default code, which is the accounting code of the cardholder. This default code will appear on the cardholder's monthly statement. A transaction made without the entry of an appropriate accounting code, will be charged to the default code. It will then be the responsibility of the cardholder to research the true source of the transaction in order to achieve an accurate posting.

.05 Responsibilities

a. Issuer Responsibility

The Master Contract with GSA and the Task order with the Department specify the issuer's responsibilities. The Master Contract is available at the GSA website <http://pub.fss.GSA.gov>

b. Agency / Bureau Responsibility

Agencies and Bureaus are responsible for maintaining adequate controls and records pertaining to Cardholder Accounts.

c. Cardholder Responsibility

Upon receipt of the monthly 'Statement of Charges' from the issuer, the cardholder must verify each transaction and reconcile the amounts to retained sales receipts.

For those purchases which are not to be charged to the default accounting code (see above), the cardholder will provide the proper account coding on the statement, including the 'Object Class'.

When a receipt is not furnished (e.g., because goods were ordered by telephone), a signed 'Telephone Ordering Log' or similar document should be prepared and submitted by the cardholder instead.

The Cardholder must forward a 'package' (comprising the 'Statement of Charges' and supporting

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Sales Receipts) to the Approving Official within five workdays of initial receipt of the statement.

The cardholder shall notify the Approving Official when purchases have been made and a 'Statement of Charges' is not received within 10 days after the end of the billing cycle (i.e. 21st of each month).

When an item on a Statement is disputed, the cardholder must immediately complete a 'Statement of Questioned Item' form and send it, along with a copy of the Statement, to the CBC for processing and notification of Citibank. For example, the form is to be used in cases such as the following.

- Nonreceipt, defective or returned goods.
- Transactions attributed to a card that has been reported as lost or stolen.
- A 'Vendor User Fee' (for the use of the Card).

When an item is ordered and appears on a Statement without having been received, the cardholder should contact the vendor to determine the status of the goods. If the goods are in the process of being shipped, this is not considered a 'questioned item'

Statements of Questioned Items should be sent to CBC. Forms are available at the Citibank Website:

<http://www.Citibank.com/us/gcs>.

Note: Payment should not be withheld for questioned or disallowed items. Citibank will issue credits to the account affected upon receipt of the statement.

d. Purchasing Agents Responsibility

Purchasing Agents must be furnished with a separate card for each Payment Office for which they will be making purchases.

Purchasing Agents are responsible for using the correct card for each purchase. This will assure that the purchase will appear on the proper Invoice and will make charges easier to identify on a statement.

e. Commerce BankCard Center (CBC) Responsibility

The CBC performs a variety of functions with regard to Individual Account Cards as follows:

(1) Operations

- Processes Individual Account Card Applications

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- Maintains Card Accounts with ongoing updates of account information
- Processes all card transactions
- Endeavors to ensure timely payment to Citibank
- Conducts Quarterly Reviews of cardholder data for indications of abuse or misuse of cards
- Manages the processing of Credits to ensure that the Agency receives all that is due

Note: Questioned and disputed amounts are credited immediately and show-up on subsequent statements and invoices as Credits. The CBC will provide a report to Citibank and will monitor the issuance of Credits on the next month's statement so that they can be posted by the appropriate bureau accounting office.

(2) Reporting

- Provides the requesting agency's Finance Office monthly and (upon request) special reports of Purchase Card transaction data
- Provides special reports and data files to the Office of Inspector General for audits

(3) Customer Support

- Serves as the contact for the handling of problems for cardholders, approving officials, the ordering agencies Finance Office, and Citibank
- Assists in the resolution of disputes between cardholders and vendors
- Assists in the resolution of problems associated with lost and stolen cards.

(4) Information Services

- Maintains a website linking purchase / travel policy news about the Purchase Card and Travel programs
- Provides introductory information for new cardholders and approving officials

The CBC provides for a coordination of Individual Account Card processing, extending various

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levels of service to all cards, but providing the widest range of services to the Purchase Card (BankCard).

f. Payment Office Responsibilities

Payment Offices should pay Invoices through '[Electronic Funds Transfer](#)' (EFT) via the '[Automated Clearing House](#)' (ACH). The ACH system is governed by the ACH Rules of the '[National Clearing House Association](#)' (NACHA), which provides for interbank clearing of electronic entries for participating financial institutions.

The authority governing disbursing practices with regard to the ACH is [31 CFR Part 208](#), "[Management of Federal Agency Disbursements](#)". A discussion of the context of disbursement itself, which references ACH, appears in [Chapter 4](#) of the Cash Management Policies and Procedures Handbook, entitled "Disbursements".

(1) Accounting for Charges

Accounting Offices must record all transactions and should reflect proper accounting codes as reported by cardholders. This includes making corrections on late statements where an invoice is paid in advance of receiving all approved statements.

The organization unit administrative offices must assure that each cardholder's default coding is current and the [Commerce BankCard Center](#) is immediately notified of changes. This will minimize the number of transactions that must be changed from the default coding.

Disputed items are credited immediately and will show up on the next statement and invoice as a credit. The CBC will review the issuance and processing of credits and will provide reports on 'Questioned Items' to:

- inform Citibank of "Questioned Items" to facilitate the proper issuance of credits; and to
- facilitate the monitoring process by the Bureau's Accounting Offices to ensure the proper receipt and recognition of credits due.

(2) Method of Receiving Invoices

Payment offices may receive Invoices and related management reports on paper or electronically. Electronic transmission is encouraged. The CBC receives an electronic file from Citibank and generates invoices for each Payment Office.

(3) Unauthorized Charges

The Department is liable, and payment shall be made to the contractor, for any unauthorized purchases made by authorized cardholders. When such unauthorized purchases are made, a receivable shall be established in the name of the cardholder for the amount of the unauthorized purchase(s) and the associated administrative fee. Collection shall be made under policy provided in the Department's 'Credit and Debt Management_Operating Standards and Procedures'

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Handbook, Appendix L, entitled "Federal Employee Salary Offset".

Although the Department is not liable for charges made by unauthorized users of a card, the issuer must be notified as soon as the card is recognized as lost or stolen.

Transactions subsequent to card loss that appear on a statement should be authorized for payment, but should be disputed.

(4) Questioned and disallowed Items

The Payment Office will review current month Invoices to assure that all credits related to the prior month have been included.

(5) Prompt Payment

Payments for purchases are subject to the "Prompt Pay Act". Please see also Appendix F, 'Prompt Payment Requirements'.

The Invoice receipt date is:

- Generally the 22d of the month or the first business day thereafter if the 22d falls on a holiday or weekend.
- For Purchase Cards is the date received by the CBC.
- Government Travel Accounts (GTA's), the Invoices and the reconciling information from the Travel Management Center must both be received.

This assumes a complete and accurate Invoice. Submission of an inaccurate or incomplete Invoice will be regarded as no submission at all and will therefore be returned to the contractor as required by 'Prompt Payment Requirements'

When an invoice is received more than five days after the end of the billing period, a notification should be sent with the payment clearly indicating the Invoice receipt date to establish the proper payment due date with the contractor.

Prompt Payment Interest should be paid as separate remittance, i.e. not combined with the payment of the invoice.

(6) Certification of Invoice

Payment Offices should establish procedures for contacting approving officials whose statements are not received by the 20 day after the Invoice (statement) date. A reasonable effort should be made to gather all statements to support the Invoice.

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Payment offices must, according to the contract, pay Smart Pay Card Invoices in full. Any adjustments to such invoices are to be credited to the Government's account by Citibank the following month.

However, Payment Offices are authorized to utilize accelerated payment procedures, in which the Invoice is paid prior to the receipt of all statements. All statements must still be reconciled within 45 days after the Invoice is paid.

(7) "Billing Account Numbers (BAN) and Taxpayer Identification Numbers (TIN)

The BAN, a 16 digit numeric code assigned by Citibank, and the TIN must accompany the payment to ensure that the payment is applied appropriately. This may be accomplished by either:

- requesting the inclusion of the BAN and the TIN on the "Schedule" that is sent to Treasury to generate the payment; or by
- including them in the "Addendum Record" that accompanies EFT payments.

It might be best to enter both codes on both the "Schedule" and the "Addendum Record" for ease of retrieval of information.

(8) Fast Pay Procedures

When Government receiving and disbursing sites are separated both geographically and by inadequate communication facilities, basing timely payment upon acceptance of merchandise can be unduly difficult. A simplified acquisition method, known as the "Fast Pay Procedure", may apply in such circumstances if all of the following conditions are met.

- The purchasing instrument is a "Firm-Fixed-Price" Contract, Purchase Order, or Delivery Order.
- Individual purchasing instruments do not exceed \$ 25,000.
- Title must pass to the Government.
- The Invoice must certify that:
 - delivery has occurred; and
 - the contractor will correct nonconforming merchandise.

Purchasing Instruments using the "Fast Payment Procedure" must include the following requirements:

- Supplies be shipped transportation or postage prepaid;

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- Invoices must be submitted directly to the Finance or other office designated in the Purchasing Instrument; and the consignee's copy must state "Consignee's Notification to Purchasing Activity of Nonreceipt, Damage, or Nonconformance"

Where goods are not received, damaged, or non conforming, the Consignee shall so notify the Purchasing Office.

g. Organization Unit Finance Office Responsibilities

(1) Reviewing Organization Unit Activity

To minimize vulnerability to unauthorized or excessive purchases, finance offices must review cardholder activity monthly. Finance offices must also evaluate cardholder purchase activity in view of budget limitations, mission requirements, and prohibitions on card usage. Resolution of questionable transactions should be pursued as necessary by contacting the approving official, payment office or Agency Program Coordinator (for Purchase Cards).

(2) Failure of Cardholders/Approving Officials to Forward Statements

Organization unit finance offices, in coordination with their Head Contracting Officers (HCOs) and Payment Office(s), shall establish policy and supporting procedures for cardholders and/or approving officials who fail to forward statements to their payment office in a timely manner. Whenever a statement is not forwarded to the payment office within 15 days of receipt, the payment office is to contact the approving official to request the statement. Organization unit policies shall require the following minimum action for additional instances of a cardholder's statement arriving late in the payment office:

- Second occurrence--The payment office notifies the HCO who is to contact the approving official to determine why the statement(s) are late and who has been responsible.
- Third occurrence--The payment office notifies the CBC and the HCO and requests either termination of the card(s) or the transfer of approving official duties to another employee, based on the HCO's assessment of responsibility.

A.Section 2.0 Travel Card Program

.01 General

The Final Rule, Amendment 90, "[Federal Travel Regulation \(FTR\); Mandatory Use of the Travel Charge Card](#)", changes GSA FTR provisions pertaining to payment by the Government of expenses associated with official Government travel. It thereby implements the requirements [Public Law 105-264, "The Travel and Transportation Reform Act of 1998"](#). Specifically, these changes require:

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- Mandatory use of the Government-issued travel charge card for all official travel expenses;
- Reimbursement to employees for travel expenses within thirty calendar days of submission of a proper 'Travel Voucher' to the Approving Official;
- Payment by the Agency of a late fee to the employee in the event such reimbursement is later than thirty calendar days; and
- Collection by the Agency of undisputed delinquent amounts owed to Citibank from an employee's salary (upon written request of the contracting bank).

The provisions of the Final Rule were effective July 16, 1999. Those provisions governing official travel apply to travel performed after February 2000, or upon the issuance of Agency implementing regulations, whichever occurs first.

.02 Types of Travel Card Accounts

There are two types of travel card accounts.

- The Individually Billed Travel Card contains the Cardholder Name, an account number, and a magnetic strip to enable point-of-sale transactions to be charged. The responsible Cardholder is the individual employee

The Individually Billed card is arranged by way of a general contract between the issuer and the Government, under which the issuer does not conduct a credit review of the account holder and does not charge interest. However, it results directly from a contractual arrangement between the cardholder and the issuing Financial Institution, to which the Government is not otherwise a party.

- The Centrally Billed Travel Card is generally not a true credit card. It will carry a name and an account number, but usually will not have a magnetic strip to enable point-of-sale transactions. A typical example is the plastic card centrally billed to the Scheduled Airline Ticket Office (SATO) that is used only for common carriers. There are exceptions to this 'common carrier limitation, however. For example:

- The International Trade Administration (ITA) utilizes a "Lodging Account Card"; and
- The Census Bureau utilizes a "Corporate Account Card" to pay for the lodging expense of its Enumerator employees.

Both of these cards contain magnetic strips and can be used for point-of-sale transactions, but cards falling into these categories are billed centrally and remain in the custody of managers who account for the point-of-sale transactions involving numerous employees.

.03 Accounting and Fund Control

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(1) Individually Billed Travel Card Program

The individual pays the Citibank bill. Traveler submits a 'Travel Voucher' and The Government reimburses the Traveler, based on the 'Travel Voucher'.

(2) Centrally Billed Travel Program

The Centrally-Billed 'Travel Card' is issued pursuant to a direct contractual arrangement between the Government and Citibank. These accounts are used to obtain transportation on common carriers through Travel Management Centers under contract with the Department. Funds are committed when a traveler purchases a ticket on a common carrier; obligated when the service is consumed; and expended when the Payment Office pays the bill.

.04 Cardholder Responsibilities

For individually-Billed Travel Cards, the Cardholder is responsible for timely payment of the issuer's periodic invoice / statement. Payment-in-full from the card holder to the issuer is due on or before the next Billing Statement Date.

The Cardholder is personally liable to the issuer for all charges incurred, even if they exceed the amount reimbursable under Department Travel Regulations. Failure of the Cardholder to pay, could result in garnishment of salary.

.05 Approving Official Responsibilities

The Approving Official approves the issuance of the Travel Card.

Subsequent to issuance of the Travel Card, the Approving Officials involvement is on an 'exception basis'.

06 Payment Office Responsibilities

The Payment Office has no direct involvement with the payment of the Individual Travel Card.

Centrally billed Individual Travel Card payments are made to Citibank by the Payment Office upon reconciliation of data from the Travel Management Center and the Citibank Invoice.

.07 Organizational Unit Finance Office Responsibilities

The Finance Office monitors the use of the Travel Card on an 'as-needed' basis.

A. Section 3.0 'Purchase Card' ('BankCard') Program

The "Purchase Card" is a Credit Card issued to individual employees for purchases necessary in the course of conducting Government business. Such individual employees are the 'Responsible Cardholder's.'

.01 Responsibilities

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a. Issuer Responsibilities

The issuer is responsible for performing the following actions.

- Establishing and maintaining cardholder accounts.
- Preparation and transmittal to cardholders of periodic "Statement of Charges" reports within seven days after the close of the billing cycle.

b. Agency / Bureau Responsibilities

The Agency / Bureau is responsible for the preparation and maintenance of adequate records and controls pertaining to cardholder accounts.

c. Cardholder Responsibilities

Primary responsibility for the Purchase Card rests with the Cardholder. The Cardholder has the following specific responsibilities.

- Assuring that the card is used only for appropriate purposes.
- Timely capture of all relevant transaction data.
- Researching the true source of any transaction charged to the default code.

Timely review of 'Statement of Charges' (for accuracy, completion, and validity of charges) and:

- Effecting payment; or (in the event of a disputed charge)
- Preparing and sending a 'Government Cardholder Dispute

Form' to the Issuer, with copies to the Commerce BankCard Center and attached to the statement for the Finance Office.

Note: Charges must be disputed within 60 days of the Statement date.

d. Commerce BankCard Center (CBC) Responsibilities

Responsibilities specific to the BankCard include, but are not limited to the following:

(1) Administration of Individual Account Card Operations

- Process card applications
- Maintain card accounts by updating account information
- Prepare and provide introductory information for new Cardholders and Approving Officials

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- Process all account activity
- Ensure that agencies pay Citibank on time
- Mediate disputes between Cardholders and vendors

(2) Monitor Individual Account Card Usage

- Conduct quarterly reviews of Cardholder data for abuse and misuse of cards
- Facilitate the processing and recognition of card loss, theft, and replacement situations

(3) Report on Individual Account Card Operations

- Prepare and distribute month-end Purchase Card activity reports for the ordering agency's APC and Finance offices
- Maintain a website providing links to important purchase/ travel policy and news relevant to the Purchase Card and Travel programs
- Host conferences to discuss new developments and technology relevant to the card program

e. Approving Official Responsibilities

(1) Reviewing Cardholder Statements

'Approving Officials' are designated for the Purchase Card program only. They receive a monthly "Statement of Charges" reflecting the activity of all Cardholders under their authority. From this statement, the Approving Official can determine from whom he/she should be receiving cardholder statements.

The approving official shall perform the following functions for the main flow of activities.

- Review cardholder statements for accuracy, completion, and propriety. This will provide assurance that all items listed therein are necessary and in compliance with Federal Acquisition Regulations.
- Reconcile the amounts of each individual cardholder statement with the approving official statement.
- Indicate verification and approval by signing and dating each statement.

When a purchase is listed for a cardholder who has not been authorized, the Approving Official should so indicate on the Statement forwarded to the servicing Payment Office. Immediately thereafter, the Approving Official shall notify the organization unit's Head of Contracting Office (HCO) of the unauthorized purchase.

(2) Forwarding Approved Statements

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Approving officials must timely forward to the Payment Office:

- cardholder Statements;
- associated Receipts;
- any copies of 'Statements of Questioned Items'; and
- any Telephone Logs.

These items must be sent in sufficient time to assure that they are received in the Payment Office no later than 20 days after the Statement date.

An Approving Official should make a reasonable effort to obtain all cardholder statements, but should not delay forwarding statements to the payment office because of a cardholder statement that has not been received. Instead, the Approving Official should send received statements, along with a notice identifying cardholders whose Statements have not been received, to the Payment Office by the due date.

Delinquent cardholder statements should be verified and forwarded by the approving official to the Payment Office as soon as they are received.

A. Section 4.0 Convenience Checks - Issued Under Purchase Card (BankCard)

.01 Background

A number of disbursement methods have developed to cover purchases of a great variety of goods and services in different circumstances. As needs and technology change, however, so too must disbursing methods. For example: when a vendor refuses to accept a Purchase Card (BankCard) as a means of payment, the Card Holder may offer a 'Convenience Check' as an alternative means of payment.

.02 Purpose and Authority

It has been deemed desirable to reduce funds held outside the Treasury and to reduce reliance upon Imprest Funds. Individual Account Cards contribute to both of these ends. However, for some circumstances where cards are not accepted, Convenience Checks may be used on a limited basis. Under the [GSA SmartPay contract](#), purchase card accounts may be issued Convenience Checks to make payments to vendors who do not accept credit cards.

While Convenience checks may be accepted as a tool to reduce operational reliance on Imprest Funds, they should be used only when payment by [EFT](#) or SmartPay Purchase Card is refused by the vendor.

Purchases made using convenience checks shall comply with Federal Acquisition Regulation (FAR) provisions.

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In overseas areas, Convenience Checks may also be used where Credit Cards are not generally accepted.

.03 Policy

Issuance of SmartPay Credit Cards, including the authorization to hold and use convenience checks, is determined under policies and procedures established in Part 13, Chapter 1, of the Commerce Acquisition Manual.

Convenience checks are not automatically issued to each purchase cardholder, but will be made available to properly approved SmartPay cardholders with a demonstrated need. There are limitations upon the use of Convenience Checks. The use of convenience checks is expressly prohibited:

- When payment by [EFT](#) or purchase card is possible
- For payment of an amount exceeding the cardholder's delegated authority
- As Advance Payments to Vendors
- As payment in excess of the exact purchase amount
- For Multiple payments to circumvent the single purchase threshold
- As payments or reimbursements to regular full-time employees
- To acquire hazardous materials
- To acquire telecommunications systems
- To acquire fuel and related supplies and services, unless operationally necessary where no alternative purchase option exists
- To acquire Long-term leases/rentals
- For personal purchases, with intent to repay the government

.04 Accounting and Fund Control

Additional Accounting Consideration: Convenience check issuers should be aware that the vendor's [Taxpayer Identification Number \(TIN\)](#) and 1099 information may be requested by Departmental reporting offices, and that the convenience check issuer will be responsible to provide this information to the Finance Office for 1099 reporting purposes.

.05 Agency / Bureau Responsibilities

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Bureaus shall insure that internal control measures for convenience checks include at least the following provisions.

- Store Convenience checks under adequate physical safeguard measures
- Account for All convenience checks numerically -- including lost, spoiled, void and issued checks.
- Maintain a log of convenience checks issued, including documenting the reason why a convenience check was utilized
- Review each credit card account randomly each year -- including a 100% review of convenience checks issued
- Reconcile purchase card and convenience check transactions with account statements on a monthly basis, taking appropriate action to resolve any improper or disputed charges
- Consider the use of carbon copy (duplicate) convenience checks to verify transactions for proof of accuracy
- Immediately report lost or missing credit cards or convenience checks as provided in the Commerce Acquisition Manual
- Inventory Convenience check supplies monthly
- Signature authority is restricted to the account holder, and may not be further delegated
- Managers or supervisors approve only convenience check use by personnel under their control.
- Cardholders promptly comply with official requests to review the cardholder's files
- Any emergency use of a convenience check is promptly reported to the agency's CFO or financial officer

.06 Individual Account Holder Responsibilities

Smart Pay purchase card holders who desire a supply of convenience checks must make a written request to the approving official for their credit card account. The approving official must forward the approved request, including a statement of operational necessity, to the credit card issuing office designated by the Commerce Acquisition Manual.

a. Prior to Receipt of Checks

(1) Prepare a 'Check Register' showing:

- Check Number;

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- Date of Issuance;
- Payee;
- Accounting Codes (including Budget Codes);
- Purpose of the Check; and
- Amount of the Check

(2) Prepare a Lock Box or locked file cabinet with limited controlled access to store the checks as received.

(3) Establish a 'Convenience Check Transactions' file to receive transaction documents generated and received as convenience checks are used.

b. Upon Receipt of Checks from the Issuer

(1) Post Check Numbers in ascending order to the Check Register.

(2) Secure the checks in the previously established lock box or secured file cabinet.

c. As Checks are Used in Payment.

Obtain proper supporting documentation, including a receipt (if available) and the recipients TIN for transactions of \$600 or more, for each check written.

- Enter the remaining `line items' to complete the `line' opposite the appropriate Check Number on the 'Check Register'.
- File all supporting documentation for each expenditure in the 'Convenience Check Transactions' file.

Note: All supporting documentation must be maintained for 6 years and three months to satisfy audit requirements.

d. Upon Receipt of the 'Account Statement' from the Issuer

- Review each transaction listed on the statement for accuracy and the entire list for completion. Refer any altered or forged checks to the OIG.
- Forward the certified 'Account Statement' to the Approving Official within 5 working days of receipt from the Issuer.
- If necessary, request replenishment checks from the issuer.

e. Contingencies

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In the event a check or checks are lost or stolen, notify the issuer immediately, providing as much information as possible (including the Check Number of the missing check).

.07 Purchasing Agent Responsibilities

The Purchasing Agent will verify the existence of a 'Cash-Oriented Environment' that justifies the use of Convenience Checks.

.08 Approving Official Responsibilities

Review Statements and Supporting Documentation to verify that:

- All checks were issued for official Government business;
- Alternate methods of procurement and / or disbursement were impractical or uneconomic;
- Check usage was necessary and in compliance with Department issuance policy;
- Accounting Codes for each line entry are correct; and
- Items approved for payment were received.

.09 Payment Office Responsibilities

Reconcile the Account Holder's Statement with the Invoice.

- If the statement is accurate and complete, so indicate by signing.

- If the statement is inaccurate or incomplete, resolve all differences before forwarding it to the Payment Office.

- Forward the verified and approved statement to the Payment Office, while maintaining a copy.

Payment Offices may receive Convenience Check Invoices / Statements as hard copies or electronically from the CBC.

The Payment Office will review the Invoice and Statements for legality of purchases, accuracy and completion.

Upon completion of the review, the Payment Office will timely pay all billings that meet the criteria for payment and return those statements not meeting the criteria. Where the charges on the statement comprise appropriate and questioned or disallowed items, partial payment will be transmitted to the issuer.

.10 Organizational Unit Finance Office Responsibilities

The Organizational Unit Finance Office will conduct annual reviews of the Account Holder's

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records to ensure adherence to applicable policies and procedures.

Where the Finance Office discovers a misuse of checks or irregularity, it will immediately close the account.

If a VISA checking account that is not part of an imprest fund is closed, it shall not be replaced with an imprest fund.

A. Section 5.0 Fleet Card**.01 Background**

These Individual Account Cards are not assigned to individual employees. Rather they are assigned to individual Government-owned vehicles that are used by eligible Government employees for payment of fuel and related expenses associated with official travel using such Government-owned or leased vehicle.

.02 Accounting and Fund Control

In all cases, the eligible employee, as the user of the Travel Card, is responsible for the judicious use and safety of the Card while in possession of it. Beyond this, however, the level and type of responsibility will depend upon the ownership of the vehicle. Government-owned vehicles, to which Fleet Cards are assigned, fall into two categories: GSA-owned vehicles; and Agency-owned vehicles.

a. GSA-owned Vehicles

GSA-owned vehicles are leased to the Agency / Bureau by the GSA. Fleet Cards assigned to such vehicles are paid by GSA. The Issuer will send periodic Statements to GSA where they are verified and paid. Their costs are assigned to specific vehicles and the amount paid is added to the rental for the vehicle and charged-back to the Lessee Agency or Bureau.

In this situation, payment of charges against the Fleet Card is the responsibility of the GSA as lessor. GSA, not the lessee Agency or Bureau is the Cardholder. Therefore, though charging expenses against the Travel Card, the Agency or Bureau does not directly account for them.

b. Agency or Bureau-owned Vehicles

Where the Agency or Bureau owns the vehicle, that Agency or Bureau is the Cardholder. Responsibility for accounting for the Travel Card falls upon the Cardholder in such Agency or Bureau, just as for any other Individual Account Card.

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Appendix A

Exhibit A-1

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Cardholder and Approving Official Account Information Required for Contractor Master File

1. Cardholder Information:

- Name;
- Account number;
- Identification number;
- Work address;
- Agency/department, bureau, and component;
- Spending control limitations;
- Commercial telephone number; and
- A default 50-digit accounting code.

2. Cardholder's Approving Official Information:

- Approving official name;
- Account number;
- Work address;
- Agency/department, bureau, and component; and
- Commercial telephone number.

3. Cardholder's Administrative Office Information:

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- Administrative office name;
- Work address; and
- Contact point with commercial telephone number.

4. Cardholder's finance Office Information:

- Finance office name;
- A minimum four-line address; and
- Contact point with commercial telephone number.